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FM AMEMBASSY MANILA

TO SECSTATE WASHDC PRIORITY 4387

C O N F I D E N T I A L SECTION 1 OF 5 MANILA 7132

E.O. 11652: 11652: NA

TAGS: EAID, EAGR, RP

SUBJECT: REVIEW OF POPULATION POLICIES AND PROGRAM

REF: A) STATE 112325; B) USAID/PHILIPPINES "POPULATION
PLANNING PROP" OF JANUARY 25, 1974

BEGIN SUMMARY: PHILIPPINE DEMOGRAPHIC TRENDS IN 1960S
WERE GENERALLY UNFAVORABLE FOR ECONOMIC AND SOCIAL
GROWTH. TRENDS OVER NEXT DECADE INDICATE CONTINUED
PRESSURES ON DEVELOPMENT PROSPECTS. SUCCESS IN
ABSORBING PRESSURES WILL DEPEND ON SUCCESSFUL
IMPLEMENTATION OF GOP'S RECENTLY ADOPTED DEVELOPMENT
STRATEGY AND POLICIES CENTERED ON ACCELERATED RURAL/
AGRICULTURAL DEVELOPMENT. SOME MEASURE OF SUCCESS IS EXPECTED.
DEVELOPMENT PROSPECTS BEYOND NEXT DECADE WILL BE
INCRESINGLY INFLUENCED BY ONGOING POPULATION CONTROL
EFFORTS, WHICH IF SUCCESSFUL WOULD RESULT IN MUCH IMPROVED
DEVELEOPMENT PROSPECTS OVER NEXT FIVE TO TEN YEARS, AND
POSSIBLY OVER LONGER RUN, DEMAND FOR US FOOD RESOURCES
WITH EXCEPTION WHEAT LIKELY CONTINUE AT MODEST LEVEL BUT
DEMAND FOR US CAPITAL AND TECHNOLOGY MAY INCREASE. ON
BALANCE, WE FORESEE NO MAJOR TRADE PROBLEMS WITH US.
DEMOGRAPHIC FACOTRS LIKELY TO CONTRIBUTE TO PRESSURES
ON INTERNAL SOCIAL AND POLITICAL STABILITY WHICH COULD BE
OFFSET BY FAVORABLY SOCIO-ECONOMIC DEVELEPMENTS.

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BOTH LOCAL AUTHORITIES GENERALLY AND INTERNATIONAL AGENCIES RECOGNIZE GRAVITY OF POPULATION PROBLEM IN PHILIPPINES THOUGH FULLER APPRECIATION OF PROBLEM AND COMMITMENT TO ITS SOLUTION IS REQUIRED OF MANY INVOLVED PHILIPPINE OFFICIALS. ADDITIONALLY, CONSERVATIVE ATTITUDES IN RURAL AREAS AND IN THE CHURCH HIERARCHY MUST BE OVERCOME. INTERNATIONAL ORGANIZATIONS HAVE COMMITTED GENEROUS RESOURCES TO SOLUTION OF POPULATION PROBLEM AND LIKELY TO CONTINUE DO SO. THESE RESOURCES OF THEMSELVES ARE NOT SUFFICIENT, HOWEVER, TO REDUCE POPULATION GROWTH RATE TO SATISFACTORY LEVEL. IN FINAL ANALYSIS, FULL FLEDGED FILIPINO COMMITMENT TO POPULATION CONTROL PROGRAMS LEADING TO SHARPLY INCREASING CONTRACEPTIVE ACCEPTOR RATES WILL BE REQUIRED. PLANNED INNOVATIVE OUTREACH PROGRAMS AND BEHAVIORAL RESEARCH INTO CULTURAL DETERMINANTS OF FILIPINO FERTILITY WILL IMPROVE PERFORMANCE AND PROSPECTS. US WILL CONTINUE BE FLEXIBLE AND GENEROUS IN ITS SUPPORT AND WILL CONCENTRATE ITS ASSISTANCE ON MATTERS IMPEDING PROGRESS BUT NOT ADDRESSED BY OTHER DONORS. END SUMMARY.

A.1. EFFECTS OF DEMOGRAPHIC FACTORS ON DEVELOPMENT PROSPECTS.

IN GENERAL, DEMOGRAPHIC TRENDS IN THE 1960S WERE UNFAVORABLE FOR ECONOMIC GROWTH. A HIGH POPULATION GROWTH RATE (ESTIMATED AT 3.01 PERCENT) RESULTED IN SKEWED POPULATION STRUCTURE (46 PERCENT BELOW 15 YEARS OF AGE) AND, CONSEQUENTLY, HIGH DEPENDENCY RATE (ABOUT 87 PERCENT) IN 1970. WHILE OVERALL ECONOMIC GROWTH DURING 1960S WAS SATISFACTORY IN COMPARISON WITH MOST DEVELOPING COUNTRIES, BECAUSE OF HIGH POPULATION GROWTH, GNP PER CAPITA GROWTH WAS LIMITED TO ABOUT 3.0 PERCENT LEVEL. GOV. CONTINUED IN 60S TO PURSUE STRATEGY OF UNBALANCED GROWTH CHARACTERIZED BY POLICY EMPHASIS ON INDUSTRIALIZATION. PACE OF INDUSTRIAL DEVELOPMENT WAS, HOWEVER, SLOW AND CONCENTRATED IN FEW URBAN AREAS, AND, COUPLED WITH RELATIVE NEGLECT OF RURAL/AGRICULTURAL SECTOR AND CONSIDERABLE DEMOGRAPHIC PRESSURES, RESULTED IN INCREASED

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UNEMPLOYMENT AND UNDEREMPLOYMENT, WORSENING OF INCOME DISTRIBUTION, ACCELERATED RURAL TO URBAN MIGRATION AND INCREASED POLITICAL AND SOCIAL UNREST EVIDENT IN THE LATE 1960S AND INITIAL PART OF THE 1970S.

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TO SECSTATE WASHDC PRIORITY 4388

C O N F I D E N T I A L SECTION 2 OF 5 MANILA 7132

DESPITE RAPID GROWTH IN PUBLIC EXPENDITURES FOR EDUCATION AND HEALTH, PER CAPITA EXPENDITURES IN REAL TERMS ON THESE TWO SERVICES BARELY IMPROVED FROM 1960-1970. HIGH POPULATION GROWTH COMBINED WITH SUBSTANTIAL PRICE INFLATION INHIBITED QUANTITATIVE IMPROVEMENTS IN GOVERNMENT-PROVIDED HEALTH AND EDUCATION SERVICES.

DURING MOST OF THE 60S AND UP TO PRESENT DOMESTIC FOOD PRODUCTION LARGELY KEPT PACE WITH RAPIDLY EXPANDING POPULATION, BUT MARGINAL AMOUNTS OF FOOD HAD TO BE IMPORTED. WITH EXCEPTION WHEAT, IMPORTS OF STAPLES (RICE AND CORN), HOWEVER, CONSTITUTED SMALL PROPORTION OF TOTAL DOMESTIC CONSUMPTION. IN FACT DURING 1968-1970, RICE SELF-SUFFICIENCY WAS ACHIEVED. AFTER 1970, HOWEVER, RICE IMPORTS WERE RESUMED.

BECAUSE OF HIGH DENSITIES OF SMALL FARMERS IN PARTS CENTRAL AND NORTHERN LUZON THERE WAS CONSIDERABLE MIGRATION FROM THOSE AREAS TO PARTS OF "MUSLIM MINDANAO". WHILE THIS MOVEMENT CONTRIBUTED TO INCREASE IN OVERALL AGRICULTURAL OUTPUT (PARTICULARLY RICE AND CORN), IT ALSO CONTRIBUTED TO SERIOUS DETERIOURATION OF POLITICAL/SECURITY SITUATION IN MINDANAO.

OVER NEXT TEN YEARS, PHILIPPINE DEVELOPMENT PROSPECTS WILL BE INFLUENCED MORE BY PAST DEMOGRAPHIC
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TRENDS THAN BY CURRENT ONES. IN LONGER RUN, PROSPECTS WILL BE INCREASINGLY INFLUENCED BY OUTCOME OF ONGOING POPULATION CONTROL EFFORTS. AS RESULT PAST DEMOGRAPHIC TRENDS, LABOR FORCE IS EXPECTED TO EXPAND BY ABOUT 2.7 PERCENT PER YEAR IN THE 1970S, RESULTING IN APPROXIMATELY FOUR MILLION NEW ENTRANTS TO THE LABOR FORCE. TOTAL POPULATION IS EXPECTED TO EXCEED FIFTY MILLION BY 1980 AND SHOULD PRESENT RATE OF RURAL-URBAN MIGRATION OF 5 PERCENT PER YEAR CONTINUE, URBAN POPULATION WOULD INCREASE BY 5 TO 6 MILLION. SUCH AN INCREASE WILL MAKE IT DIFFICULT TO REVERSE DETERIORATION IN URBAN CONDITIONS, PARTICULARLY EVIDENT IN GREATER MANILA AREA. ADDITIONAL DEMANDS WILL ALSO BE PLACED ON EDUCATIONAL SYSTEM AS ENROLLMENTS INCREASE BY AN EXPECTED 3.2 MILLION AND OTHER SOCIAL SERVICES AS WELL AS ON ENTIRE AGRICULTURAL SYSTEM.

SUCCESS IN ABSORBING FOREGOING POPULATION-RELATED PRESSURES WILL DEPEND ON SUCCESS IN IMPLEMENTING GOP'S RECENTLY-ADOPTED DEVELOPMENT STRATEGY AND POLICIES. THE NEW STRATEGY CALLS FOR ACCELERATED RURAL/AGRICULTURAL DEVELOPMENT COMPLEMENTED BY INDUSTRIAL DEVELOPMENT BASED ON PROMOTION OF SMALL AND MEDIUM INDUSTRY AND LABOR-INTENSIVE INDUSTRIAL EXPORTS, AND REGIONAL DISPERSAL. IN SUPPORT OF NEW STRATEGY, GOP HAS EFFECTED NUMEROUS INSTITUTIONAL CHANGES INCLUDING GOVERNMENT REORGANIZATION, AGRARIAN REFORM, TAX AND TARIFF REFORMS, MONETARY AND FINANCIAL REFORMS, BUDGETARY REFORMS, AND EDUCATIONAL REFORMS. MAJOR THRUST OF THE NEW STRATEGY AND POLICY REFORMS IS REDUCTION OF UNEMPLOYMENT AND UNDEREMPLOYMENT AND IMPROVEMENT IN INCOME DISTRIBUTION UNDER A REGIME OF SUSTAINED HIGH GROWTH AVERAGING 7-10 PERCENT PER YEAR. CONSENSUS HERE THAT GOOD PROSPECTS EXIST DURING NEXT DECADE FOR MAKING START ON REDUCING RATE OF GROWTH OF UNEMPLOYMENT AND UNDEREMPLOYMENT AND RURAL-URBAN MIGRATION IF THE NEW STRATEGY IS SUCCESSFULLY IMPLEMENTED. GIVEN IMPROVED EFFICIENCY AND EFFECTIVENESS OF GOP AND PROVINCIAL ADMINISTRATIVE SYSTEMS AND DETERMINATION OF PRESENT LEADERSHIP, SOME MEASURE OF SUCCESS IS EXPECTED.

AS ALREADY INDICATED, OUTCOME OF ONGOING
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POPULATION CONTROL EFFORTS WILL INCREASINGLY INFLUENCE DEVELOPMENT PROSPECTS BEYOND THE NEXT DECADE.

TO DATE, THERE ARE SEVERAL AVAILABLE PROJECTIONS OF PHILIPPINE DEMOGRAPHIC PROFILE OVER NEXT TWENTY TO

TWENTY-FIVE YEARS WHICH ARE BASED ON VARIOUS PROJECTED FERTILITY AND MORALITY STRUCTURES. AVAILABLE PROJECTIONS OF POPULATION BY YEAR 2000 RANGE FROM 72 TO 116 MILLION. ASSUMING SUCCESS OF FAMILY PLANNING PROGRAM INCLUDING EVENTUAL ATTITUDINAL CHANGES TOWARDS FAMILY SIZE, PHILIPPINE DEMOGRAPHIC PROFILE OVER NEXT TWENTY TO TWENTY-FIVE YEARS WILL INCLUDE A GRADUAL REDUCTION OF POPULATION GROWTH RATE TO SLIGHTLY OVER 2 PERCENT, A DECREASING DEPENDENCY RATE, AND A POPULATION OF OVER EIGHTY MILLION BY YEAR 2000. THESE TRENDS INDICATE MUCH BETTER DEVELOPMENT PROSPECTS THAN WOULD OBTAIN IN ABSENCE OF FAMILY PLANNING. TENTATIVE PROJECTIONS OF AN ECONOMIC-DEMOGRAPHIC MODEL FOR PHILIPPINES INDICATE THAT BY YEAR 1995, GNP PER CAPITA WOULD BE ABOUT A THIRD HIGHER THAN THE PROJECTED VALUE IN THE ABSENCE OF FAMILY PLANNING DUE TO A CONSIDERABLY LOWER POPULATION (-22 PERCENT REDUCTION) AND A HIGHER GNP (6 PERCENT HIGHER) RESULTING FROM LOWER CONSUMPTION AND HIGHER SAVINGS AND INVESTMENT. WITH SUCCESSFUL FAMILY PLANNING, ANNUAL SAVINGS IN PUBLIC HEALTH AND EDUCATION EXPENDITURES WOULD BE CONSIDERABLE, RANGING FROM 1;3-1.3 PERCENT OF REAL GNP IN 1972 (1985, AND FROM 4.5-5.6 PERCENT BY 1995.

A.2. EFFECTS ON DEMAND FOR U.S. FOOD AND OTHER RESOURCES
AND ON TRADE

PHILIPPINES IMPORTED FOOD IN PAST BUT EXCEPT FOR A FEW COMMODITIES, PARTICULARLY WHEAT AND MILK, FOOD IMPORTS NORMALLY CONSTITUTED SMALL PROPORTION OF DOMESTIC PRODUCTION. CONTINUED HIGH POPULATION GROWTH OVER NEXT FIVE

TO TEN YEARS COMBINED WITH ANY INCREASE IN PER CAPITA INCOMES WILL INTENSIFY STRONG PRESSURES ON FOOD SUPPLY BUT ITS EFFECT ON PHILIPPINE DEMAND FOR US FOOD RESOURCES WILL HINGE LARGELY ON SUCCESS OF PHILIPPINE FOOD PRODUCTION PROGRAMS. A COMBINATION OF NEAR SELF SUFFICIENCY IN CEREALS (RICE

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AND CORN, THOUGH NOT WHEAT, OF COURSE) APPEARS FEASIBLE WITHIN NEXT SEVERAL YEARS, GIVEN CENTRAL ROLE OF AGRICULTURAL GROWTH IN GOP'S NEW STRATEGY. SUBSTANTIAL SCOPE EXISTS FOR INCREASING PRESENT LOW YIELDS THROUGH EXTENSION OF IRRIGATION AND HYV-FERTILIZER TECHNOLOGY TO RAIN-FED LOWLANDS, AND MORE ADEQUATE CREDIT AND OTHER SUPPORTING SERVICES.

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C O R R E C T E D COPY (FOR MRN 7132 VICE 7262)

IN ADDITION, SOME SCOPE CONTINUES EXIST FOR
EXTENDING AREA UNDER CULTIVATION. (IBRD HAS ESTIMATED
THE SUPPLY OF READILY-CULTIVABLE LAND NOT BEING USED AT
ABOUT 1-1.5 MILLION HECTARES.) CONSIDERABLE OPPORTUNITIES
ALSO EXIST FOR DOUBLING FISHPOND YIELDS WITHIN THIS
DECADE THROUGH IMPROVED TECHNOLOGY AND MANAGEMENT.

OVER NEXT FIVE TO TEN YEARS, AND PROBABLE OVER
LONGER RUN, DEMAND FOR US FOOD RESOURCES WILL LIKELY
CONTINUE WITH RICE AND CORN AT LOW LEVELS RELATIVE TO
TOTAL COUNTRY REQUIREMENTS AND WHEAT AT SCARCE AND
INCREASING LEVELS, AND POSSIBLY SOYBEANS AT RISING
LEVELS. (ALSO COTTON IMPORTS ARE LIKELY TO INCREASE.)
DEMAND FOR US CAPITAL RESOURCES MAY INCREASE,
AT LEAST OVER NEXT DECADE, TO HELP WITH PHILIPPINE
DEVELOPMENT PROGRAMS. GIVEN HIGH DEBT BURDEN AND GROWING
EXPORT REQUIREMENTS, MUCH OF THIS WILL HAVE TO BE
FINANCIAL. DEMAND FOR FOREIGN CAPITAL MAY DECREASE
OVER THE LONGER RUN AS SLOWER POPULATION GROWTH REDUCES
CLAIMS ON RESOURCES FOR CONSUMPTION USE, DOMESTIC SAVINGS
RISE, AND BALANCE OF PAYMENTS PROSPECTS IMPROVE. THESE
FACTS COMBINED WITH HOPED-FOR CONTINUATION OF GOP
COMMITMENT TO DEVELOPMENT SHOULD RESULT IN INCREASED
DEMANDS FOR INTERMEDIATE AND CAPITAL GOODS IN AREAS IN
WHICH U.S. PRODUCTS SHOULD BE COMPETITIVE AND IN
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LIMITED FOOD ITEMS, PARTICULARLY WHEAT. EXPANDING POPULATION (EVEN AT LOWER RATES) AND COMMITMENT TO IMPROVED NUTRITION LIKELY PLACE HEAVY EMPHASIS DURING MEDIUM-TERM (NEXT 10 YEARS) ON MAXIMIZING LAND DEVOTED TO RICE AND CORN PRODUCTION. IN COMBINATION WITH VARIETY OTHER DOMESTIC AND INTERNATIONAL FACTORS THIS EMPHASIS LIKELY HAVE SOME IMPACT ON OUTPUT, AVAILABILITY AND PRICE OF SUGAR AND COCONUT PRODUCTS FOR U.S. MARKETS. HOWEVER, ON BALANCE FORESEE NO MAJOR TRADE PROBLEMS.

A.3. EFFECTS ON INTERNAL AND EXTERNAL STABILITY
CONTINUING POPULATION PRESSURES OVER THE NEAR TO MIDDLE TERM ARE LIKELY TO MANIFEST THEMSELVES POLITICALLY, PRIMARILY IN INCREASED URBAN UNREST AND CONTINUING MIGRATION OF CHRISTIAN POPULATION INTO AREAS OF MUSLIM SETTLEMENT IN MINDANAO.

GOP DEVELOPMENT POLICY CURRENTLY IS STRESSING IMPROVEMENT OF AGRICULTURE/RURAL SECTOR AT EXPENSE OF URBAN WORKING CLASSES. SEEMS LIKELY THESE POLICIES, IF CONTINUED, WILL ACHIEVE PER CAPITA REAL GROWTH RATES IN RURAL INCOMES ADEQUATE TO MEET RELATIVELY MODEST EXPECTATIONS OF RURAL FILIPINOS. THUS, WHILE CURRENT DISSIDENCE CAN BE EXPECTED TO CONTINUE IN SOME AREAS, RURAL DISCONTENT LIKELY TO REMAIN WITHIN MANAGEABLE LEVELS IN NEAR TERM ASSUMING NO SERIOUS REVERSAL IN PRESENT FAVORABLE COMMODITY PRICES. INTERNAL POPULATION GROWTH IN URBAN AREAS PLUS CONTINUING RURAL-URBAN MIGRATION PRESENTS MORE DIFFICULT PROBLEM, PARTICULARLY WITH YOUNG AND UNEMPLOYED. OVER 55 PERCENT OF PHILIPPINE POPULATION IS UNDER 20 AND UNEMPLOYMENT IS CONCENTRATED HEAVILY AMONG THE YOUNG, PARTICULARLY IN URBAN AREAS. INCREASING DISCONTENT ARISING FROM FRUSTRATED EXPECTATIONS AND WORSENING ECONOMIC CONDITIONS MAY REQUIRE INCREASINGLY REPRESSIVE MEASURES BY GOP TO MAINTAIN SOCIAL AND POLITICAL DISCIPLINE. ALTERNATIVELY, VIOLENT DISSENT MIGHT BE AVOIDED IF POPULATION CONTROL AND DEVELOPMENT POLICIES ARE RELATIVELY SUCCESSFUL, THUS RELIEVING POPULATION PRESSURES, THOUGH, EVEN IN THIS CASE, SOME SHIFT IN CURRENT POLICIES FAVORING RURAL SECTOR MIGHT BE REQUIRED.

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CONTINUING REQUIREMENT FOR EXPANDED FOOD PRODUCTION PLUS CONTINUING POPULATION PRESSURES IN TRADITIONALLY SETTLED AREAS SEEM INEVITABLY DESTINED TO CONTINUE PRESSURE CHRISTIAN MIGRATION INTO MUSLIM AREAS IN MINDANAO. THUS, CHRISTIAN-MUSLIM COMMUNAL CONFLICT, INTRACTABLE ENOUGH IN ANY CASE, CAN ONLY BE MADE LESS

LIKELY OF PEACEFUL RESOLUTION BECAUSE OF SUCH POPULATION PRESSURES. WHILE EFFECTS ON PHILIPPINE INTERNATIONAL RELATIONS NOT READILY PREDICTABLE, CONTINUING HIGH-LEVEL OF COMMUNAL VIOLENCE PRESENTS OBVIOUS DIFFICULTIES FOR GOP IN ITS RELATIONS WITH ITS MUSLIM NEIGHBORS, MALAYSIA AND INDONESIA, AND WITH UAB OIL PRODUCING STATES. GOP HAS SHOWN RECENT INCLINATIONS MAKE SOME CONCESSIONS ON OTHER MATTERS OF INTEREST TO NON-ALIGNED COUNTRY GROUP AND ARAB STATES IN HOPES OF OFF-SETTING ADVERSE IMPRESSIONS CREATED BY MUSLIM CONFLICT.

WHILE HIGHLY SPECULATIVE, CONTINUING POPULATION PRESSURES OVER LONGER TERM, IF NOT SUCCESSFULLY CHECKED, WILL MOST LIKELY INTENSIFY FACTORS DISCUSSED ABOVE WITH GREATLY INCREASED STRAIN ON GOVERNMENT CONTROLLED

MECHANISMS AND CONCURRENTLY POSSIBILITY INCREASING STRENGTH AND EFFECTIVENESS OF DISSIDENT MOVEMENTS, BOTH URBAN AND RURAL.

B.1. INTERNATIONAL ATTENTION ON THE POPULATION PROBLEM.

WITH ONE OF HIGHEST POPULATION GROWTH RATES IN THE WORLD (BETWEEN 3.0 AND 3.2 PERCENT PER YEAR) DURING THE 1960S PHILIPPINES HAS HAD DIRECTED TO IT THE ATTENTION OF LARGE NUMBER OF INTERNATIONAL ORGANIZATIONS AND AGENCIES. PHILIPPINES SUFFERS NEITHER FROM FAILURE OF INTERNATIONAL COMMUNITY TO RECOGNIZE SERIOUSNESS OF THE PROBLEM NOR FROM LACK OF EXTERNALLY PROVIDED RESOURCES TO ATTACK IT. AT PRESENT PHILIPPINE POPULATION PROGRAM IS ASSISTED BY AID, IBRD, FORD FOUNDATION, ROCKEFELLER FOUNDATION, PATHFINDER FUND, ASIA FOUNDATION, IPPF, FPIA, WORLD NEIGHBORS, NVS, OXFAM, AND THE GOVERNMENT OF JAPAN, AMONG OTHERS. MISSION PERCEPTION IS THAT THERE IS ADEQUATE INTERNATIONAL RECOGNITION OF PHILIPPINE POPULATION PROBLEM. GRAVITY OF THE SITUATION, WHICH

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COULD BECOME DISASTROUS IN THE LONG RUN (SAY BEYOND 25 YEARS), IF POPULATION GROWTH RATES ARE NOT SUBSTANTIALLY REDUCED DURING THE NEXT 5-10 YEARS WOULD SEEM TO INDICATE THAT SUCH ATTENTION AND PROVISION OF RESOURCES WILL CONTINUE.

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TO SECSTATE WASHDC PRIORITY 4390

C O N F I D E N T I A L SECTION 4 OF 5 MANILA 7132

DEVELOPMENT OF FAMILY PLANNING PROGRAM IN
PHILIPPINES MAY HAVE RELEVANCE FOR OTHER COUNTRIES
WHERE POPULATION CONTROL EFFORTS BY GOVERNMENT NOT YET
ACCEPTED. PROGRAM HERE BEGAN THROUGH PRIVATE SECTOR
EFFORTS SUPPORTED STRONGLY BY USQEL HFBQPXIET
ENCOURAGEMENT OF GOP AUTHORITIES. PRIVATE AGENCIES--
NOW BEING FINANCED IN PART BY GOVERNMENT FUNDS--ARE
CONTINUING TO PLAY A MAJOR ROLE IN EXPANDING FILIPINO
FAMILY PLANNING PROGRAMS. IMPORTANCE THESE ACTIVITIES
IS HIGHLIGHTED BY ESTABLISHMENT OF PHILIPPINE
FOUNDATION CENTER.

B.2. LOCAL AWARENESS OF AND MEASURES TO DEAL WITH
POPULATION PROBLEM

PHILIPPINE AUTHORITIES GENERALLY RECOGNIZE THE
POPULATION PROBLEM AND HAVE MOVED MUCH FASTER THAN WAS
DEEMED LIKELY OR EVEN POSSIBLE AS RECENTLY AS 1970.
PHILIPPINES HAS SHIFTED FROM BEING A COUNTRY WITH A
PRO-NATALIST POLICY TO ONE SUPPORTING A COMPREHENSIVE
POPULATION PROGRAM. DESPITE RESISTANCE FROM AT LEAST
SOME ELEMENTS OF CATHOLIC CHURCH A RECENT PRESIDENTIAL
DECREE HAS LEGALIZED ALL MEDICALLY ACCEPTED METHODS OF
CONTRACEPTION EXCEPT ABORTION. GOP HAS INCREASED ITS
BUDGET SUPPORT FOR FAMILY PLANNING ACTIVITIES FROM
RELATIVELY INSIGNIFICANT AMOUNT IN 1970 TO \$6 MILLION
IN FY 1974. INCOME TAX AND LABOR LAWS HAVE BEEN
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AMENDED TO ENCOURAGE SMALL FAMILIES. NUMBER OF
MUNICIPALITIES REQUIRE COUNSELING IN FAMILY PLANNING

METHODS BEFORE GRANTING MARRIAGE LICENSE.

PHILIPPINE POPULATION CONTROL PROGRAM HAS BENEFITTED GREATLY FROM STRONG SUPPORT OF MRS. MARCOS AND FROM CAREFULLY TIMED STATEMENTS BACKING PROGRAM BY PRESIDENT MARCOS. HOWEVER, BELIEVE GREATER SUPPORT AND PUSH DESIRABLE FROM OTHER QUARTERS. THIS, OF COURSE, EXTREMELY COMPLICATED QUESTION GIVEN POLITICAL AND SOCIAL ATMOSPHERE WHICH HEAVILY INFLUENCED BY CATHOLIC CHURCH AND DEEP-SEATED CULTURAL MORES. IN VIEW GRAVITY OF PROBLEM AND DESPITE ENCOURAGING ACTIONS TAKEN OVER PAST 3-4 YEARS, FURTHER EFFORTS APPEAR NECESSARY TO BRING HOME TO VARIOUS HIERARCHICAL LEVELS OF PHILIPPINE OFFICIALS A FULL APPRECIATION OF CONSEQUENCES ATTENDANT ON BIRTH RATES WHICH ARE NOT REDUCED SHARPLY AND IN RELATIVELY NEAR TERM. TOWARDS THIS END, U.S. SHOULD URGE IBRD, IMF, UN AND OTHER GOVERNMENT OFFICIALS AS WELL AS U.S. GOVERNMENT OFFICIALS AND PRIVATE CITIZENS TO IMPRESS ON PHILIPPINE AUTHORITIES WITH WHOM THEY DEAL THE IMPORTANCE OF LIMITING POPULATION GROWTH. THIS EDUCATIVE/PERSUASIVE ROLE SHOULD BE PERFORMED THROUGH PERSONAL CONTACT, "CORRIDOR NEGOTIATIONS" AND ALL OTHER APPROPRIATE OPPORTUNITIES. THE INTERNATIONAL ORGANIZATIONS AND OTHER GOVERNMENTS SHOULD ALSO BE URGED TO BUILD POPULATION CONSIDERATIONS AND CRITERIA INTO THEIR PROGRAM AND PROJECT PLANNING AND APPROVAL PROCESS; AND THIS SHOULD INCREASINGLY BE DONE ALSO BY THE U.S. THROUGH AID, PARTICULARLY, BUT ALSO THROUGH THE NUMEROUS OTHER GOVERNMENT AND PRIVATE ORGANIZATIONS WHO WORK WITH PHILIPPINE AUTHORITIES. AN INCREASED FLOW OF BRIEF, GRAPHIC AND EASILY UNDERSTOOD MATERIAL AIMED AT BUSY OFFICIALS WOULD TEND TO ENHANCE THEIR RECEPTIVITY TO PROGRESSIVE IDEAS REGARDING POPULATION MATTERS.

B.3. RECOMMENDED MEASURE FOR INCREASING FAMILY PLANNING ACCEPTANCE

WITH 7 OF EVERY 8 FILIPINOS LIVING IN OUTLYING BARRIOS SURROUNDING PRESENT MUNICIPAL-BASED CLINICS, FIRST REQUIREMENT IN INCREASING FAMILY PLANNING ACCEPTANCE IS DEVELOPMENT OF ALTERNATIVE OR SUPPLEMENTAL/OUTREACH
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SYSTEMS TO DELIVER FAMILY PLANNING SERVICES TO INCREASING NUMBERS OF FERTILE-AGE PERSONS, PARTICULARLY IN LESS ACCESSIBLE AREAS. ACCORDINGLY, SEVERAL PILOT PROJECTS ARE EITHER UNDERWAY OR EXPECTED TO BEGIN IN NEAR FUTURE. THESE INCLUDE MOBILE SERVICE DELIVERY SYSTEMS, USE OF PARAMEDICS, BARRIO CONTRACEPTIVE SUPPLY DEPOTS, COMMERCIAL DISTRIBUTION OF CONTRACEPTIVES AND EXPANSION PRIVATE SECTOR CLINICAL SERVICES. PARALLEL WITH THESE ESSENTIALLY HEALTH-BASED EFFORTS WILL BE

ACTIVITIES THAT AIM TO INTEGRATE PROVISION OF FAMILY PLANNING SERVICES INTO OTHER NATIONAL DEVELOPMENT PROGRAMS SUCH AS LOCAL GOVERNMENT AND COMMUNITY DEVELOPMENT, SOCIAL WELFARE, FORMAL AND NON-FORMAL EDUCATION, DEFENSE, AGRICULTURE, AND NUTRITION.

ABOVE MENTIONED IMPROVEMENTS IN BASIC SERVICES PROGRAM, HOWEVER, ARE UNLIKELY BY THEMSELVES TO ACHIEVE DESIRED GOAL. AN ENTIRELY NEW ARRAY OF COMPLEMENTARY ACTIVITIES AFFECTING FILIPINO ATTITUDES TOWARD DESIRED FAMILY SIZE OBVIOUSLY WILL BE NECESSARY PARTICULARLY AMONG THE FERTILE YOUNG. ATTITUDINAL CHANGE WILL DEPEND ON MOTIVATIONAL/EDUCATIONAL/ INCENTIVE ACTIVITIES. A KEY FACTOR IN SUCCESS WILL BE COMPATIBILITY WITH PREVAILING ATTITUDES AMONG TARGETED GROUPS AND SOCIETY GENERALLY OR THE SHAPING OF SUCH ATTITUDES INTO COMPATIBILITY WITH FAMILY PLANNING ORIENTATION. PRESENT STATE OF KNOWLEDGE THESE MATTERS PERMITS EXPERIMENTATION WITH SEVERAL APPROACHES SUCH AS INCREASED USE READILY AVAILABLE PERSONS SUCH AS PARA-MEDICS TO SERVE AS MOTIVATORS AND EDUCATORS; USE OF INFORMAL BARRIO AND MUNICIPALITY POWER STRUCTURE TO HELP CREATE RESPECTABILITY FOR AND INTEREST IN FAMILY PLANNING RELATED MATTERS; USE OF POPULAR CULTURE AND EDUCATIONAL INSTITUTIONS AS VEHICLE FOR DISSEMINATING IDEAS; USE OF PROVINCIAL AND LOWER LEVEL OFFICIALS AND BUREAUCRATS TO FACILITATE ACTIVITIES CONDUCTED BY OTHERS.

OTHER PILOT PROGRAMS OR ACTIVITIES MIGHT ALSO BE TRIED WHEN SOME MEASURE OF CONFIDENCE IS PRESENT THAT THEY WILL NOT BE COUNTERPRODUCTIVE. THESE RELATE LARGELY TO INCENTIVE PROGRAMS BASED ON PERSONAL ECONOMIC GAIN, E.G., BANK DEPOSITS FOR NON-PREGNANCY; CONTRIBUTIONS TO SECONDARY SCHOOL OR HIGHER LEVEL EDUCATION FUNDSV; HOME-
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OWNERSHIP, ETC. CURRENT INDICATIONS SUGGEST PROSPECTS THESE KINDS OF ACTIVITIES BETTER AT PRESENT IN URBAN THAN IN RURAL AREAS. WAYS OF POSITIVELY USING NEW-URBAN OR NEW MIDDLE CLASS VALUE AND IDEA PATTERNS MUST ALSO BE EXAMINED.

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ACTION SPM-01

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BEYOND THIS, CONSIDERABLE MORE BASIC LOCAL BEHAVIORAL RESEARCH STILL REMAINS TO BE DONE AND IS EXPECTED FROM LOCAL ORGANIZATIONS SUCH AS POPULATION CENTER FOUNDATION, DEVELOPMENT ACADEMY OF PHILIPPINES, AND CONCERNED UNIVERSITIES AND GOVERNMENT AGENCIES. FIRST PRIORITY MUST BE GIVEN TO ESTABLISHING RELIABLE DEMOGRAPHIC DATA BASE TO SUPPORT PROGRAM PLANNING AND EVALUATION. THEN SELF-PERCEIVED INTERESTS (SOCIAL, ECONOMIC, CULTURAL) OF SPECIFIC TARGET GROUPS WITHIN POPULATION MUST BE DEFINED RELATIVE TO THEIR REPRODUCTIVE BEHAVIOR. FINALLY, THE CONVENTIONAL WISDOM IN THIS FIELD MUST BE TRANSLATED INTO COUNTRY-SPECIFIC POPULATION POLICIES THAT WILL ASSURE ADEQUATE EXPOSURE FOR ALL CITIZENS TO RELEVANT KNOWLEDGE RE CONSEQUENCES OF VARIED REPRODUCTIVE BEHAVIOR THUS GIVING THEM OPPORTUNITY TO MAKE VOLUNTARY CHOICES. DEPENDING UPON FEEDBACK FROM CONTINUED DEMOGRAPHIC ANALYSIS, GOP MUST THEN CONSIDER WIDE VARIETY OF POSSIBLE RESPONSES TO THE SITUATION RANGING FROM RELATIVELY PERMISSIVE TO COERCIVE POLICY MEASURES. NO ONE YET KNOWS WHERE IN THE SPECTRUM OF ALTERNATIVE NATIONAL POPULATION POLICIES THE GOP WILL CHOOSE TO FIT NOR AT WHAT LEVEL THE POPULATION WILL EVENTUALLY STABILIZE. AN EXCELLENT START, HOWEVER, HAS BEEN MADE IN THE RIGHT DIRECTIONS.

C.1.-C.2 FUTURE DIRECTIONS OF U.S. ASSISTANCE TO POPULATION
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PROGRAM

TO DATE US HAS BEEN GENEROUS IN ITS SUPPORT AND FLEXIBLE IN ITS EFFORTS TO HELP FILIPINO LEADERS FIND SOLUTIONS TO THE POPULATION GROWTH RATE PROBLEM. INDICATIONS ARE THIS APPROACH HAS BEEN CORRECT ONE. THE

UNITED STATES HAS COOPERATED WITH OTHER DONOR COUNTRIES AND AGENCIES IN RATIONAL DIVISION OF POPULATION PROGRAM ELEMENTS. SEVERAL YEARS AGO USAID RELINQUISHED TO UNFPA ALL EXTERNAL SUPPORT ACTIVITIES IN FIELD OF POPULATION EDUCATION. MORE RECENTLY, FORD FOUNDATION HAS BEEN ENCOURAGED TO PROVIDE ASSISTANCE IN PROGRAM MANAGEMENT. JAPANESE GOVERNMENT IS MAJOR SUPPLIER OF CONDOMS. INTERNATIONAL PLANNED PARENTHOOD FOUNDATION (IPPF), ALONG WITH NUMBER OTHER INTERMEDIARY AGENCIES (MOST OF WHOM ARE ALSO AID-FINANCED), ARE PLAYING MAJOR ROLE IN INTRODUCTION OF STERILIZATION PROGRAMS. USAID POLICY WILL BE TO CONTINUE TO ENCOURAGE ALL CONSTRUCTIVE ASSISTANCE AND TO FACILITATE OUTSIDE PARTICIPATION IN THE PROGRAM. CONTINUATION ALONG LINES AND IN AREAS OF CURRENT INVOLVEMENT AT EXPANDED OR ACCELERATED RATE SEEMS APPROPRIATE VIRTUALLY ALL DONORS, E.G., ASSISTANCE BY IBRD IN FINANCING MAJOR CONSTRUCTION COSTS OF RURAL HEALTH FACILITIES WHERE HEALTH SERVICES WILL BE INTEGRATED WITH FAMILY PLANNING SERVICES IS BOTH DESIRABLE AND NECESSARY AS WOULD BE FURTHER IBRD ASSISTANCE IN OTHER CAPITAL ACTIVITIES. PRIVATE ORGANIZATIONS, UTILIZING TO MAXIMUM EXTENT FEASIBLE PHILIPPINE ORGANIZATIONS SHOULD REMAIN IN VANGUARD IN EFFORTS PROMOTE NEW IDEAS (E.G., STERILIZATION) AND ADDRESS MATTERS RELATED TO ATTITUDINAL CHANGE. USAID WILL CONTINUE TO CONCENTRATE ITS OWN ASSISTANCE, FOCUSING ON KEY VARIABLES IMPEDING PROGRESS BUT NOT ADDRESSED BY OTHER DONORS.

IT SEEMS PROBABLY THAT AFTER FY 1976 THERE WILL BE LITTLE NEED FOR USAID SUPPORT TO BASIC GOVERNMENT PROGRAM FOR DELIVERY OF CONTRACEPTIVE SERVICES THROUGH EXISTING HEALTH SYSTEMS. HOWEVER, SUPPORT BY USAID FOR INNOVATIVE OUTREACH PROGRAMS SUCH AS THOSE MENTIONED UNDER B.3. WILL CONTINUE AS SPELLED OUT IN PROP AND IN OUR RECENTLY SIGNED PROJECT AGREEMENT. DOLLAR SUPPORT FOR SUCH ELEMENTS OF THE PROGRAM AS CONTRACEPTIVES AND

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OTHER COMMODITIES MUST CONTINUE UNTIL GOP EITHER ASSUMES THESE COSTS ITSELF OR COMMERCIAL DISTRIBUTION SYSTEM IS ESTABLISHED THAT CAN PROVIDE THE SAME SERVICES. THERE WIP ALSO BE NEED FOR US SUPPORT OF INTENSIFIED RESEARCH EFFORTS AND INNOVATIONS, SOME OF WHICH WILL BE UNDERTAKEN UNDER AUSPICES OF POPULATION CENTER FOUNDATION, A PRIVATE NON-GOVERNMENT ORGANIZATION. OTHER NEW ACTIVITIES WILL BE SUPPORTED THROUGH ORGANIZATIONS NOT YET INVOLVED SUCH AS UNIVERSITIES, OTHER GOVERNMENTAL DEVELOPMENT PROGRAMS, THE PRIVATE SECTOR, DEVELOPMENTAL PLANNING INSTITUTES SUCH AS DEVELOPMENT ACADEMY OF PHILIPPINES, PUBLIC ADMINISTRATIONHZND BUSINESS MANAGEMENT

TRAINING ORGANIZATIONS, AND THE MASS MEDIA. BEYOND THIS, US MUST NOW ENCOURAGE FILIPINOS TO MOVE PROGRESSIVELY BEYOND BASIC INFORMATION AND SERVICES DELIVERY SYSTEMS ALREADY UNDER WAY INTO NEW PHASE WHERE EFFORTS ARE CONCENTRATED ON DEVELOPING WIDESPREAD SOCIAL SUPPORT FOR A LOWERED FAMILY NORM. US ROLE SHOULD CONTINUE TO BE FLEXIBLE. THIS CALLS FOR CONTINUED BILATERAL SUPPORT. US SHOULD ALSO CONTINUE ENCOURAGE MAXIMUM COMMITMENT OF PHILIPPINE RESOURCES, BOTH PUBLIC AND PRIVATE. US MUST ALSO ASSIST PHILIPPINE AUTHORITIES IN INCREASINGLY IMPORTANT TASK OF CHOOSING SUPPORT FROM VARIOUS SOURCES IN MANNER THAT WILL MAXIMIZE EFFECTIVENESS AND MINIMIZE WASTE.

MISSION RECOMMENDS REF B FOR DETAILED INFORMATION ON MATTERS DISCUSSED IN PARTS B AND C OF THIS MESSAGE.
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